

VAN BUREN COUNTY, IOWA  
INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS

JUNE 30, 2008

VAN BUREN COUNTY, IOWA

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VAN BUREN COUNTY, IOWA

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Marvin S. Philips	Board of Supervisors	January 2009
Gary J. Adam	Board of Supervisors	January 2011
William Randolph	Board of Supervisors	January 2011
Jon P. Finney	County Auditor	January 2009
Tanya McQuoid	County Treasurer	January 2011
Glenice Graber	County Recorder	January 2011
Dan Tedrow	County Sheriff	January 2009
H. Craig Miller	County Attorney	January 2011
Dixie Sanders	County Assessor	January 2010

## INDEPENDENT AUDITOR'S REPORT

To the Officials of Van Buren County, Iowa:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Van Buren County, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Van Buren County, Iowa's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Van Buren County, Iowa at June 30, 2008, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2008 on our consideration of Van Buren County, Iowa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 through 9 and 28 through 30 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Van Buren County, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information

included in Schedules 1 through 5, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ANDERSON, LARKIN & CO. P.C.

Ottumwa, Iowa  
November 25, 2008

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

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Van Buren County, Iowa, provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with the County's financial statements, which follow

## 2008 FINANCIAL HIGHLIGHTS

- The County's Governmental funds' revenues increased \$450,995 from fiscal 2007 to fiscal 2008. Intergovernmental revenues increased \$385,376.
- The County's Governmental funds' expenditures increased a total of \$565,070 from fiscal year 2007. Roads and transportation and capital projects expenditures made up the largest increases at \$472,836 and \$127,202, respectively.
- The County's net assets decreased 2.3%, or \$316,600 from June 30, 2007 to June 30, 2008.

## USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Van Buren County, Iowa as a whole and present an overall view of the County's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Van Buren County, Iowa's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Van Buren County, Iowa acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year.

Other Supplementary Information provides detailed information about the nonmajor Special Revenue and the individual Agency Funds.

## REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

### *Government-wide Financial Statements*

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information which helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Assets presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are presented in the Statement of Net Assets and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.

### *Fund Financial Statements*

The County has two kinds of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. The governmental funds include:

1. The General Fund,
2. The Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads,

These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for drainage districts, emergency management services and the County Assessor, to name a few.

The required financial statement for fiduciary funds is a statement of fiduciary assets and liabilities.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Van Buren County, Iowa's combined net assets decreased from \$13,495,618 to \$13,179,018. The analysis that follows focuses on the changes in the net assets for governmental activities.

### Net Assets of Governmental Activities

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Current and other assets	\$ 5,283,461	\$ 5,331,056
Capital assets	<u>10,876,148</u>	<u>10,918,094</u>
Total assets	<u>16,159,609</u>	<u>16,249,150</u>
Long-term liabilities	225,000	279,238
Other liabilities	<u>2,755,591</u>	<u>2,474,294</u>
Total liabilities	<u>2,980,591</u>	<u>2,753,532</u>
Net assets:		
Invested in capital assets, net of related debt	10,836,909	10,841,556
Restricted	1,932,112	2,321,992
Unrestricted	<u>409,997</u>	<u>332,070</u>
Total net assets	\$ <u>13,179,018</u>	\$ <u>13,495,618</u>

Net assets of Van Buren County, Iowa's governmental activities decreased by \$316,600 (\$13,495,618 compared to \$13,179,018). The largest portion of the County's net assets is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets (the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements) increased from \$332,070 at June 30, 2007 to \$409,997 at June 30, 2008, an increase of 23%.

### Changes in Net Assets of Governmental Activities

	<u>Year ended June 30, 2008</u>	<u>Year ended June 30, 2007</u>
Revenues:		
Program revenues:		
Charges for service	\$ 407,349	\$ 357,199
Operating grants, contributions and restricted interest	3,645,361	2,980,569
Capital grants, contributions and restricted interest	-	603,469
General revenues:		
Property and other County tax	1,518,084	1,438,544
Penalty and interest on property tax	30,425	30,508
State tax credits	153,748	158,351
Local option sales tax	243,100	317,798
Unrestricted investment earnings	117,498	118,568
Other general revenues	<u>156,400</u>	<u>173,529</u>
Total revenues	<u>6,271,965</u>	<u>6,178,535</u>



Program expenses:		
Public safety and legal services	871,367	951,773
Physical health and social services	441,564	452,282
Mental health	591,980	516,579
County environment and education	371,021	512,944
Roads and transportation	3,475,979	2,872,655
Governmental services to residents	258,464	291,123
Administration	555,776	549,481
Capital projects	<u>22,414</u>	<u>5,011</u>
Total expenses	<u>6,588,565</u>	<u>6,151,848</u>
Increase (decrease) in net assets	(316,600)	26,687
Net assets beginning of year	<u>13,495,618</u>	<u>13,468,931</u>
Net assets end of year	\$ <u>13,179,018</u>	\$ <u>13,495,618</u>

The County increased property tax asking for the 2008 fiscal year by approximately 2.6%. This increase of \$51,868 followed the previous year's increase of \$101,650 in property tax asking. The property tax asking for fiscal year 2009 was set at \$2,284,087, an increase of 12.7% from fiscal year 2008.

### INDIVIDUAL MAJOR FUND ANALYSIS

As Van Buren County, Iowa completed the year, its governmental funds reported a combined fund balance of \$2,669,094, a decrease of \$316,670 compared to last year's total of \$2,985,764. The decrease in fund balance is primarily attributable to Secondary Road projects. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues and expenditures were \$2,451,899 and \$2,396,512, respectively. The ending fund balance showed an increase of \$92,792 from the prior year to \$945,862.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled approximately \$591,423, an increase of 16% from the prior year. The Mental Health Fund balance at year end decreased by \$38,703 from the prior year.
- Rural Services Fund revenues decreased \$95,051 from the prior year and expenditures increased \$30,691 resulting in a decrease in ending fund balance of \$112,097 for the year ended June 30, 2008.
- Secondary Roads Fund expenditures increased by \$582,635 over the prior year, due principally to the County's rock inventory and the recording of expenses related to farm to market projects. This increase in expenditures resulted in a decrease in the Secondary Roads Fund ending balance of \$261,116, or 17%.

### BUDGETARY HIGHLIGHTS

Over the course of the year, Van Buren County, Iowa amended its budget once. The amendment was made on March 31, 2008 and resulted in an increase in budgeted disbursements related to a special election, PEO Training, FEMA expenditures, court costs and health insurance.

Even with these amendments, the County underspent the original total budgeted amount of \$6,172,571 by \$133,407 for the year ended June 30, 2008.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2008 Van Buren County, Iowa had \$10,876,148 invested in a broad range of capital assets (net of depreciation), including public safety equipment, buildings, park facilities, roads and bridges. This is a net decrease (including additions and deletions) of \$41,946, or 4% over last year.

#### Capital Assets of Governmental Activities at Year End

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Land	\$ 1,179,587	\$ 1,179,587
Buildings and improvements	1,468,046	1,492,733
Equipment and vehicles	2,078,994	2,078,668
Infrastructure	5,788,775	6,060,117
Construction in progress	<u>360,746</u>	<u>106,989</u>
Total	\$ <u>10,876,148</u>	\$ <u>10,918,094</u>

The County had depreciation expense of \$697,156 in fiscal year 2008 and total accumulated depreciation of \$4,883,868 at June 30, 2008, compared to total accumulated depreciation of \$4,227,006 at June 30, 2007.

The County's fiscal year 2008 capital budget as amended included \$767,000 for capital projects, principally for road and bridge improvements. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

### Long-Term Debt

At June 30, 2008, Van Buren County, Iowa had no general obligation bonds or other debt other than compensated absences and an estimated liability for landfill post closure care costs and a capital lease purchase agreement for secondary roads equipment as shown below

#### Outstanding Debt of Governmental Activities at Year-End

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Landfill postclosure costs	\$ 240,000	\$ 255,000
Compensated absences	124,813	129,687
Capital lease purchase agreements	<u>39,239</u>	<u>76,538</u>
Total	\$ <u>404,052</u>	\$ <u>461,225</u>

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Van Buren County, Iowa's constitutional debt limit for the fiscal year 2008 is \$15,052,871. Compensated absences include accrued vacation pay and sick leave. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Van Buren County, Iowa's elected and appointed officials and citizens considered many factors when setting the fiscal year 2008 budget, tax rates, and the fees that will be charged for various County activities. One of those factors is the economy. The County's estimated population for 2007 shows a decrease of 119, from the official 2000 census, after an increase of 124 from the official 1990 to 2000 census. Unemployment in the County now stands at 4.3% versus 3.6% a year ago. This compares with the State's unemployment rate of 4.4% and the national rate of 6.5%.

Inflation in the State continues to be somewhat lower than the national Consumer Price Index increase. The State's CPI increase was 3.3% for the 12 month period ending October, 2008 compared with the national rate of 3.7%. Inflation has been modest here due in part to the slowing of the residential housing market and modest increases in energy and food prices in 2007-2008.

These indicators were taken into account when adopting the budget for fiscal year 2009. Amounts available for appropriation in the operating budget are \$6,626,597, a decrease of 1.0% from the final amended fiscal year 2008 budget. The amount of revenue to support the above expenditures is projected to decrease 2.4% from the final amended fiscal year 2008 budget to \$6,159,927. Property and other County taxes supporting the fiscal year 2009 budget increased \$227,462 from the fiscal year 2008 budget and makes up 40% of the revenue for the fiscal year 2009 budgeted expenditures.

Increased wage and cost-of-living adjustments, health insurance costs, and capital projects represent the largest increases in the budget. The County has added no major new programs or initiatives to the 2009 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease by the close of the fiscal year 2009 by \$466,670, leaving an overall reserve of approximately 24% of budgeted fiscal year 2009 expenditures.

#### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Van Buren County, Iowa's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Van Buren County, Iowa Auditor's Office, 406 Dodge St., Keosauqua, Iowa.

VAN BUREN COUNTY, IOWASTATEMENT OF NET ASSETSJUNE 30, 2008Governmental  
ActivitiesASSETS:

Cash and pooled investments	\$ 2,344,293
Receivables:	
Property tax:	
Delinquent	37,828
Succeeding year	2,282,406
Accounts	46,114
Accrued interest	1,589
Due from other governments	197,973
Inventories	308,844
Prepaid expenses	64,414
Capital assets (net of accumulated depreciation)	10,876,148
<b>TOTAL ASSETS</b>	<b>16,159,609</b>

LIABILITIES:

Accounts payable	115,913
Salaries and benefits payable	41,555
Due to other governments	136,665
Deferred revenue:	
Succeeding year property tax	2,282,406
Long-term liabilities:	
Portion due and payable within one year:	
Compensated absences	124,813
Estimated liability for landfill post closure	15,000
Capital lease purchase agreements	39,239
Portion due and payable after one year:	
Estimated liability for landfill post closure	225,000
<b>TOTAL LIABILITIES</b>	<b>2,980,591</b>

NET ASSETS:

Invested in capital assets, net of related debt	10,836,909
Restricted for:	
Supplemental levy	208,880
Mental health	96,731
Rural services	60,759
Secondary roads	1,250,397
Other purposes	315,345
Unrestricted	409,997
<b>TOTAL NET ASSETS</b>	<b>\$ 13,179,018</b>

## VAN BUREN COUNTY, IOWA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Service	Operating Grants, Contributions and Restricted Interest	
Governmental activities:				
Public safety and legal services	\$ 871,367	\$ 125,614	\$ 2,024	\$ (743,729)
Physical health and social services	441,564	57,926	142,777	(240,861)
Mental health	591,980	-	485,406	(106,574)
County environment and education	371,021	117,347	327,477	73,803
Roads and transportation	3,475,979	1,892	2,660,182	(813,905)
Governmental services to residents	258,464	90,360	174	(167,930)
Administration	555,776	14,210	27,321	(514,245)
Capital projects	22,414	-	-	(22,414)
Total	\$ 6,588,565	\$ 407,349	\$ 3,645,361	(2,535,855)
General revenues:				
Property and other County tax levied for:				
General purposes				1,518,084
Penalty and interest on property tax				30,425
State tax credits				153,748
Local option sales tax				243,100
Unrestricted investment earnings				117,498
Miscellaneous				158,877
Loss on disposal of capital assets				(2,477)
Total general revenues				2,219,255
Change in net assets				(316,600)
Net assets - Beginning of year				13,495,618
Net assets - End of year				\$ 13,179,018

## VAN BUREN COUNTY, IOWA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008

	General	Special Revenue MH-DD Services	Rural Services	Secondary Roads	Nonmajor Governmental Funds	Total
<b>ASSETS</b>						
Cash and pooled investments	\$ 914,908	\$ 218,940	\$ 47,938	\$ 841,763	\$ 320,744	\$ 2,344,293
Receivables:						
Property tax:						
Delinquent	36,387	969	472	-	-	37,828
Succeeding year	1,700,386	242,294	339,726	-	-	2,282,406
Accounts	38,736	-	1,062	5,323	993	46,114
Accrued Interest	1,474	-	-	-	115	1,589
Due from other governments	2,714	-	31,259	164,000	-	197,973
Inventories	-	-	-	308,844	-	308,844
Prepaid expenses	58,896	-	-	5,518	-	64,414
<b>TOTAL ASSETS</b>	<b>\$ 2,753,501</b>	<b>\$ 462,203</b>	<b>\$ 420,457</b>	<b>\$ 1,325,448</b>	<b>\$ 321,852</b>	<b>\$ 5,283,461</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 38,389	\$ 20,084	\$ 18,452	\$ 33,284	\$ 5,704	\$ 115,913
Salaries and benefits payable	8,353	-	-	32,629	573	41,555
Due to other governments	24,124	102,125	1,048	9,138	230	136,665
Deferred revenue:						
Succeeding year property tax	1,700,386	242,294	339,726	-	-	2,282,406
Other	36,387	969	472	-	-	37,828
<b>TOTAL LIABILITIES</b>	<b>1,807,639</b>	<b>365,472</b>	<b>359,698</b>	<b>75,051</b>	<b>6,507</b>	<b>2,614,367</b>
<b>FUND BALANCES:</b>						
Reserved for:						
Supplemental levy	208,880	-	-	-	-	208,880
Unreserved, reported in:						
General fund	736,982	-	-	-	-	736,982
Special revenue funds	-	96,731	60,759	1,250,397	315,345	1,723,232
Total fund balances	945,862	96,731	60,759	1,250,397	315,345	2,669,094
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,753,501</b>	<b>\$ 462,203</b>	<b>\$ 420,457</b>	<b>\$ 1,325,448</b>	<b>\$ 321,852</b>	<b>\$ 5,283,461</b>

VAN BUREN COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2008

Total governmental fund balances	\$ 2,669,094
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets is \$15,760,016 and the accumulated depreciation is \$4,883,868.	10,876,148
Because some revenues will not be collected for several months after year end they are deferred in the governmental funds.	37,828
Long-term liabilities, including estimated liability for landfill post closure costs, capital lease purchase agreements and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(404,052)</u>
Net assets of governmental activities	\$ <u>13,179,018</u>

## VAN BUREN COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2008

	General	MH-DD Services	Special Revenue Rural Services	Secondary Roads	Nonmajor Governmental Funds	Total
<u>REVENUES:</u>						
Property and other County tax	\$ 1,532,978	\$ 222,328	\$ 429,381	\$ -	\$ -	\$ 2,184,687
Interest and penalty on property tax	30,425	-	-	-	-	30,425
Intergovernmental	452,641	282,448	47,782	2,660,182	15,468	3,458,521
Licenses and permits	11,891	-	-	1,892	-	13,783
Charges for service	221,167	-	33,313	-	3,424	257,904
Use of money and property	153,538	-	-	-	27,460	180,998
Miscellaneous	49,259	47,944	4,381	21,253	40,444	163,281
Total revenues	<u>2,451,899</u>	<u>552,720</u>	<u>514,857</u>	<u>2,683,327</u>	<u>86,796</u>	<u>6,289,599</u>
<u>EXPENDITURES:</u>						
Current:						
Public safety and legal services	938,289	-	6,042	-	-	944,331
Physical health and social services	414,008	-	-	-	-	414,008
Mental health	-	591,423	-	-	-	591,423
County environment and education	224,837	-	131,445	-	20,580	376,862
Roads and transportation	-	-	-	3,044,420	-	3,044,420
Governmental services to residents	283,678	-	-	-	7,367	291,045
Administration	534,271	-	10,485	-	-	544,756
Capital projects	1,429	-	-	379,005	20,985	401,419
Total expenditures	<u>2,396,512</u>	<u>591,423</u>	<u>147,972</u>	<u>3,423,425</u>	<u>48,932</u>	<u>6,608,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>55,387</u>	<u>(38,703)</u>	<u>366,885</u>	<u>(740,098)</u>	<u>37,864</u>	<u>(318,665)</u>
Other financial sources (uses):						
Sale of capital assets	1,995	-	-	-	-	1,995
Transfers in	35,410	-	-	478,982	31,298	545,690
Transfers out	-	-	(478,982)	-	(66,708)	(545,690)
Total other financing sources (uses)	<u>37,405</u>	<u>-</u>	<u>(478,982)</u>	<u>478,982</u>	<u>(35,410)</u>	<u>1,995</u>
Net change in fund balances	92,792	(38,703)	(112,097)	(261,116)	2,454	(316,670)
Fund balances - Beginning of year	<u>853,070</u>	<u>135,434</u>	<u>172,856</u>	<u>1,511,513</u>	<u>312,891</u>	<u>2,985,764</u>
Fund balances - End of year	<u>\$ 945,862</u>	<u>\$ 96,731</u>	<u>\$ 60,759</u>	<u>\$ 1,250,397</u>	<u>\$ 315,345</u>	<u>\$ 2,669,094</u>



VAN BUREN COUNTY, IOWA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2008

Net change in fund balances - Total governmental funds \$ (316,670)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded expenditures and construction in progress in the current year as follows:

Expenditures for capital assets	\$ 341,109	
Construction in progress	318,573	
Depreciation expense	<u>(697,156)</u>	(37,474)

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	52,299
--	--------

Because some revenues will not be collected for several months after year end they are deferred in the governmental funds	(15,157)
---	----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, as follows:

Compensated absences	4,874
----------------------	-------

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the sale as an increase in financial resources	<u>(4,472)</u>
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Change in net assets of governmental activities	\$ <u>(316,600)</u>
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VAN BUREN COUNTY, IOWASTATEMENT OF FIDUCIARY ASSETS AND LIABILITIESAGENCY FUNDSJUNE 30, 2008ASSETS

Cash and pooled investments:		
County Treasurer	\$	746,684
Other County officials		28,656
Accounts receivable		12,167
Property tax receivable:		
Delinquent		24,127
Succeeding year		5,214,565
Accrued interest		359
Due from other governments		3,321
Prepaid expenses		12,582
	TOTAL ASSETS	<u>6,042,461</u>

LIABILITIES

Accounts payable		6,733
Due to other governments		6,010,000
Salaries and benefits payable		1,876
Trusts payable		23,852
	TOTAL LIABILITIES	<u>6,042,461</u>

NET ASSETS      \$ -

## VAN BUREN COUNTY, IOWA

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Van Buren County, Iowa is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

##### A. Reporting Entity

For financial reporting purposes, Van Buren County, Iowa has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Van Buren County, Iowa (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units - The following component units are entities which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

A drainage district has been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although this district is legally separate from the County, it is controlled, managed and supervised by the Fox River Drainage Board. The drainage district is reported as an Agency Fund. Financial information about the drainage district can be obtained from the Van Buren County Auditor's office.

Jointly Governed Organizations - The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Van Buren County Assessor's Conference Board, Van Buren County Joint Disaster Services Commission and Van Buren County Joint E-911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

##### B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

VAN BUREN COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B**    Basis of Presentation (Continued)

The Statement of Net Assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

Invested in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets – result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From this fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue:

The MH-DD Services Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads fund is used to account for secondary road construction and maintenance.

Additionally, the County reports the following funds:

Fiduciary Funds:

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

VAN BUREN COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursements grant resources to such programs, followed by categorical block grants, and then by general revenues.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year

VAN BUREN COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Fund Equity (Continued)

becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2006 assessed property valuations; is for the tax accrual period July 1, 2007 through June 30, 2008 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2007.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Equipment and vehicles	5,000

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings and improvements	40-50
Infrastructure	30-50
Equipment	2-20
Vehicles	3-10

VAN BUREN COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Fund Equity (Continued)

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable – Trusts payable represent amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of property tax receivable and other receivables not collected within 60 days after year end.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2008. The compensated absences liability attributable to the governmental activities will be paid primarily by the General and Secondary Roads Funds.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2008, disbursements did not exceed the amounts budgeted.

VAN BUREN COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

NOTE 2: CASH AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2008 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest Rate Risk – The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the County.

NOTE 3: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2008 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue: Maribah Reubel	\$ 35,410
Special Revenue: Secondary Roads	Special Revenue: Rural Services	478,982
Strieber Trust	Conservation Land Acquisition	<u>31,298</u>
	Total	\$ <u>545,690</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.



VAN BUREN COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008 was as follows:

	<u>Balance Beginning of Year</u>	<u>Increases and Transfers</u>	<u>Decreases and Transfers</u>	<u>Balance End of Year</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,179,587	\$ -	\$ -	\$ 1,179,587
Construction in progress	<u>106,989</u>	<u>318,573</u>	<u>64,816</u>	<u>360,746</u>
Total capital assets not being depreciated	<u>1,286,576</u>	<u>318,573</u>	<u>64,816</u>	<u>1,540,333</u>
Capital assets being depreciated:				
Buildings and improvements	2,922,044	59,252	-	2,981,296
Equipment and vehicles	4,152,655	267,370	44,766	4,375,259
Infrastructure	<u>6,783,825</u>	<u>79,303</u>	<u>-</u>	<u>6,863,128</u>
Total capital assets being depreciated	<u>13,858,524</u>	<u>405,925</u>	<u>44,766</u>	<u>14,219,683</u>
Less accumulated depreciation for:				
Buildings and improvements	1,429,311	83,939	-	1,513,250
Equipment and vehicles	2,073,987	262,572	40,294	2,296,265
Infrastructure	<u>723,708</u>	<u>350,645</u>	<u>-</u>	<u>1,074,353</u>
Total accumulated depreciation	<u>4,227,006</u>	<u>697,156</u>	<u>40,294</u>	<u>4,883,868</u>
Total capital assets being depreciated, net	<u>9,631,518</u>	<u>(291,231)</u>	<u>4,472</u>	<u>9,335,815</u>
Governmental activities capital assets, net	\$ <u>10,918,094</u>	\$ <u>27,342</u>	\$ <u>69,288</u>	\$ <u>10,876,148</u>

Depreciation expense was charged to the following functions:

Governmental Activities:	
Public safety and legal services	\$ 37,105
Physical health and social services	24,570
Mental health	4,054
County environment and education	18,917
Roads and transportation	582,410
Governmental services to residents	21,818
Administration	<u>8,282</u>
Total depreciation expense - Governmental activities	\$ <u>697,156</u>

VAN BUREN COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

NOTE 5: DUE TO OTHER GOVERNMENTS

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments is as follows:

<u>Fund</u>	<u>Services and Collections and Delinquent Property Taxes</u>	<u>Succeeding Year Property Taxes</u>	<u>Total</u>
General	\$ <u>24,124</u>	\$ <u>-</u>	\$ <u>24,124</u>
Special Revenue:			
MH-DD Services	102,125	-	102,125
Secondary Roads	9,138	-	9,138
Rural Services	1,048	-	1,048
Recorder's Funds	<u>230</u>	<u>-</u>	<u>230</u>
	<u>112,541</u>	<u>-</u>	<u>112,541</u>
Trust and Agency:			
Townships	2,924	109,695	112,619
County Assessor	44,005	67,517	111,522
Schools	110,067	3,508,850	3,618,917
Area school	5,261	175,410	180,671
Corporations	15,306	502,020	517,326
County Hospital	20,350	662,774	683,124
County Hospital Ambulance	150,992	56,435	207,427
E-911	128,195	-	128,195
Auto License and Use Tax	117,939	-	117,939
Drainage Districts	138,850	-	138,850
All other	<u>61,546</u>	<u>131,864</u>	<u>193,410</u>
	<u>795,435</u>	<u>5,214,565</u>	<u>6,010,000</u>
	\$ <u>932,100</u>	\$ <u>5,214,565</u>	\$ <u>6,146,665</u>

NOTE 6: LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2008 is as follows:

	<u>Capital Lease Purchase Agreement</u>	<u>Estimated Liability for Landfill Postclosure Care Costs</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance – Beginning of year	\$ 76,538	\$ 255,000	\$ 129,687	\$ 461,225
Increases	-	-	124,813	124,813
Decreases	<u>37,299</u>	<u>15,000</u>	<u>129,687</u>	<u>181,986</u>
Balance – End of year	\$ <u>39,239</u>	\$ <u>240,000</u>	\$ <u>124,813</u>	\$ <u>404,052</u>
Due within one year	\$ <u>39,239</u>	\$ <u>15,000</u>	\$ <u>124,813</u>	\$ <u>179,052</u>

VAN BUREN COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

NOTE 6: LONG-TERM LIABILITIES (Continued)

Capital Lease Purchase Agreements

The County has entered into capital lease purchase agreements to lease a vehicle with a historical cost of \$117,817. The following is a schedule of the future minimum lease payments, including interest at a rate of 5.199% per annum, and the present value of net minimum lease payments under the agreements in effect at June 30, 2008:

Year Ending June 30,	
2009	\$ 41,279
Less amount representing interest	<u>2,040</u>
Present value of net minimum lease payments	\$ <u>39,239</u>

Payments under capital lease purchase agreements totaled \$41,279 for the year ended June 30, 2008.

Postclosure Care Costs

To comply with Federal and State regulations, the County is required to perform certain maintenance and monitoring functions at its landfill site for 30 years after closure. Although postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these postclosure care costs as a liability based on landfill capacity used as of each balance sheet date. The \$240,000 reported as estimated liability for landfill postclosure care costs at June 30, 2008 represents the cumulative amount reported to date based on the use of 100 percent of the estimated capacity of the landfill. This amount is based on what it would cost to perform all postclosure care during the year ended June 30, 2008. The County closed the landfill in 1994. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

State regulations require solid waste landfills to demonstrate financial responsibility for the costs of postclosure care. The County established a designated sinking fund for the annual cost of monitoring the closed landfill which is being funded by an annual assessment of \$17,600 to the participating members of the landfill, including the County. Any future excess of monitoring expenditures over the annual assessment will be added to the following year's assessment to the participating members.

NOTE 7: PENSION AND RETIREMENT BENEFITS

The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most regular plan members are required to contribute 3.90% of their annual covered salary and the County is required to contribute 6.05% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contribution to IPERS for the years ended June 30, 2008, 2007 and 2006 were \$133,196, \$125,038, and \$130,603, respectively, equal to the required contributions for each year.

VAN BUREN COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

NOTE 8: RISK MANAGEMENT

Van Buren County, Iowa has entered into an agreement, as allowed by Chapter 331.301 of the Code of Iowa, to become a member in a local government risk pool to protect the County against tort liability, injuries to employees and other risks associated with County operations. The risk pool was created for the purposes of providing and maintaining self-insurance benefits on a group basis substantially at cost. There have been no reductions in insurance coverage from prior years.

Each member County is responsible for the payment of member contributions to the risk pool on an annual basis. Member contributions to the risk pool are recorded as expenditures from the operating funds at the time of payment to the risk pool. In the event of payment of any loss by the risk pool, the risk pool is subrogated to the extent of such payment to all the rights of the member County against any person or other entity legally responsible for damages for said loss, and in such event, the member County is responsible for rendering all reasonable assistance, other than pecuniary assistance, to affect recovery.

The risk pool is responsible for paying the premiums on the insurance policies when due; to pay claims in accordance with the various coverages and to make other payments as required by applicable law; to establish and accumulate a reserve or reserves in amounts which are deemed advisable or required by law to carry out the purposes of the risk pool; and to pay all reasonable and necessary expenses for administering the risk pool and fund.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2008 were \$206,118.

Initial risk of loss for the self-insured coverage is retained by the risk pool. The risk pool obtained a reinsurance policy for the year ended June 30, 2008, which covers exposures of specific losses in excess of \$350,000 per occurrence up to the statutory limits for workers' compensation, including the retention of the pool, and in excess of \$250,000 per occurrence with excess of \$1,000,000, including the retention of the pool, for general liability. The policy obtained for the year ended June 30, 2008, covered exposures of \$350,000 and \$250,000, respectively, up to the above stated maximums including retention of the pool. The risk pool fund records a liability for unpaid claims based on estimates for the costs of individual cases of losses and claims reported to year end, plus a provision for losses incurred but not yet reported. The estimates are based on the experience of similar organizations as determined by Arthur J. Gallagher and Co., the pool's service agent. At June 30, 2008, the risk pool fund reported a surplus of pool assets over liabilities.

Member Counties retain the risk of claims, if any, exceeding maximum reinsurance coverages and the amount of surplus maintained in the risk pool, by means of an assessment that would be charged to the member County in addition to the premium contributions. As of June 30, 2008, settled claims have not exceeded the risk pool or reinsurance company coverage since commencement of the risk pool.

Initial membership into the risk pool is for a mandatory five year period. Subsequent to the initial term, a member County may withdraw at the end of any given fiscal year. The initial membership period for Van Buren County, Iowa commenced July 1, 1987 and ended June 30, 1990.

The County also carries commercial insurance purchased from other insurers for coverage associated with an employee blanket bond. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9: CONSTRUCTION COMMITMENT

The County has entered into contracts totaling \$322,110 for various secondary roads projects. As of June 30, 2008, \$311,203 has been paid on these contracts. The balance on the project remaining at June 30, 2008 (\$10,907) will be paid as work on the projects progress.

VAN BUREN COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

NOTE 10: COUNTY CARE FACILITY

The County has an agreement with Center Village, Inc. which allows Center Village, Inc. to manage and operate the Van Buren County Care Facility. The County leases the Care Facility site to Center Village, Inc. at no cost. The current agreement will remain in force until June 30, 2010.

## REQUIRED SUPPLEMENTARY INFORMATION

VAN BUREN COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE OF  
RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES -  
BUDGET AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2008

	Governmental Fund Types	Budgeted Amounts		Final to Actual Variance
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
<b>RECEIPTS:</b>				
Property and other County tax	\$ 2,178,486	\$ 2,216,774	\$ 2,216,774	\$ (38,288)
Interest and penalty on property tax	30,641	30,510	30,510	131
Intergovernmental	3,324,955	3,261,088	3,516,588	(191,633)
Licenses and permits	13,728	14,400	14,400	(672)
Charges for service	260,803	205,260	216,260	44,543
Use of money and property	181,067	149,500	149,500	31,567
Miscellaneous	<u>164,338</u>	<u>79,010</u>	<u>161,810</u>	<u>2,528</u>
Total receipts	<u>6,154,018</u>	<u>5,956,542</u>	<u>6,305,842</u>	<u>(151,824)</u>
<b>DISBURSEMENTS:</b>				
Public safety and legal services	964,497	984,033	989,033	24,536
Physical health and social services	426,562	389,824	478,164	51,602
Mental health	531,459	572,752	572,752	41,293
County environment and education	369,744	324,269	418,769	49,025
Roads and transportation	2,478,847	2,293,000	2,593,000	114,153
Governmental services to residents	286,107	284,024	294,024	7,917
Administration	564,437	574,819	597,819	33,382
Non-program	1,429	3,350	3,350	1,921
Capital projects	<u>416,082</u>	<u>746,500</u>	<u>767,000</u>	<u>350,918</u>
Total disbursements	<u>6,039,164</u>	<u>6,172,571</u>	<u>6,713,911</u>	<u>674,747</u>
Excess (deficiency) of receipts over (under) disbursements	114,854	(216,029)	(408,069)	522,923
Other financing sources, net	<u>18,981</u>	<u>6,100</u>	<u>6,100</u>	<u>12,881</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	133,835	(209,929)	(401,969)	535,804
<b>BALANCE - Beginning of year</b>	<u>2,210,342</u>	<u>1,808,721</u>	<u>2,210,342</u>	<u>-</u>
<b>BALANCE - End of year</b>	\$ <u>2,344,177</u>	\$ <u>1,598,792</u>	\$ <u>1,808,373</u>	\$ <u>535,804</u>

VAN BUREN COUNTY, IOWA

BUDGET TO GAAP RECONCILIATION  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2008

	<u>Governmental Funds</u>		
	<u>Cash Basis</u>	<u>Accrual Adjustments</u>	<u>Modified Accrual Basis</u>
Revenues	\$ 6,154,018	\$ (135,581)	\$ 6,289,599
Expenditures	<u>6,039,164</u>	<u>(569,100)</u>	<u>6,608,264</u>
Net	114,854	(433,519)	(318,665)
Other financing sources, net	18,981	(16,986)	1,995
Beginning fund balances	<u>2,210,342</u>	<u>775,422</u>	<u>2,985,764</u>
Ending fund balances	\$ <u>2,344,177</u>	\$ <u>324,917</u>	\$ <u>2,669,094</u>



VAN BUREN COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING  
YEAR ENDED JUNE 30, 2008

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units and Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund. The 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregate function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$541,340. The budget amendments are reflected in the final budgeted amounts

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission

## OTHER SUPPLEMENTARY INFORMATION

VAN BUREN COUNTY, IOWA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2008

	Solid Waste Planning	REAP Fund	Recorder's Funds	Indian Creek Watershed
<u>ASSETS</u>				
Cash and pooled investments	\$ 3,080	\$ 31,180	\$ 14,245	\$ 66,815
Receivables:				
Accounts	-	-	228	765
Accrued interest	-	33	13	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	\$ <u>3,080</u>	\$ <u>31,213</u>	\$ <u>14,486</u>	\$ <u>67,580</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ 5,639	\$ -
Due to other governments	-	-	230	-
Salaries and benefits payable	-	573	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	-	573	5,869	-
<u>FUND BALANCES:</u>				
Unreserved, reported in:				
Special revenue funds	3,080	30,640	8,617	67,580
Total fund balances	<u>3,080</u>	<u>30,640</u>	<u>8,617</u>	<u>67,580</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>3,080</u>	\$ <u>31,213</u>	\$ <u>14,486</u>	\$ <u>67,580</u>

Schedule 1

<u>Solid Waste Closure</u>	<u>Meribah Ruebel Trust</u>	<u>Laura Daugherty Trust</u>	<u>Strieber Trust</u>	<u>Conservation Land Acquisition</u>	<u>Total</u>
\$ 5,000	\$ 128,589	\$ 11,592	\$ 50,641	\$ 9,602	\$ 320,744
-	-	-	-	-	993
-	-	-	52	17	115
\$ <u>5,000</u>	\$ <u>128,589</u>	\$ <u>11,592</u>	\$ <u>50,693</u>	\$ <u>9,619</u>	\$ <u>321,852</u>
\$ -	\$ -	\$ -	\$ 65	\$ -	\$ 5,704
-	-	-	-	-	230
-	-	-	-	-	573
-	-	-	65	-	6,507
5,000	128,589	11,592	50,628	9,619	315,345
<u>5,000</u>	<u>128,589</u>	<u>11,592</u>	<u>50,628</u>	<u>9,619</u>	<u>315,345</u>
\$ <u>5,000</u>	\$ <u>128,589</u>	\$ <u>11,592</u>	\$ <u>50,693</u>	\$ <u>9,619</u>	\$ <u>321,852</u>

VAN BUREN COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2008

	<u>Solid Waste Planning</u>	<u>REAP Fund</u>	<u>Recorder's Funds</u>	<u>Indian Creek Watershed</u>
<b><u>REVENUES:</u></b>				
Intergovernmental	\$ -	\$ 14,703	\$ -	\$ 765
Charges for service	-	-	3,424	-
Use of money and property	-	375	175	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>15,078</u>	<u>3,599</u>	<u>765</u>
<b><u>EXPENDITURES:</u></b>				
Operating:				
County environment and education	10,214	4,338	-	5,963
Governmental services to residents	-	-	7,367	-
Capital projects	-	-	-	-
Total expenditures	<u>10,214</u>	<u>4,338</u>	<u>7,367</u>	<u>5,963</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,214)</u>	<u>10,740</u>	<u>(3,768)</u>	<u>(5,198)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(10,214)	10,740	(3,768)	(5,198)
Fund balances - Beginning of year	<u>13,294</u>	<u>19,900</u>	<u>12,385</u>	<u>72,778</u>
Fund balances - End of year	\$ <u>3,080</u>	\$ <u>30,640</u>	\$ <u>8,617</u>	\$ <u>67,580</u>

## Schedule 2

<u>Solid Waste Closure</u>	<u>Meribah Ruebel Trust</u>	<u>Laura Daugherty Trust</u>	<u>Strieber Trust</u>	<u>Conservation Land Acquisition</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,468
-	-	-	-	-	3,424
-	6,016	386	20,174	334	27,460
-	145	-	-	40,299	40,444
-	6,161	386	20,174	40,633	86,796
-	-	-	65	-	20,580
-	-	-	-	-	7,367
-	-	-	779	20,206	20,985
-	-	-	844	20,206	48,932
-	6,161	386	19,330	20,427	37,864
-	-	-	31,298	-	31,298
-	(35,410)	-	-	(31,298)	(66,708)
-	(35,410)	-	31,298	(31,298)	(35,410)
-	(29,249)	386	50,628	(10,871)	2,454
5,000	157,838	11,206	-	20,490	312,891
\$ 5,000	\$ 128,589	\$ 11,592	\$ 50,628	\$ 9,619	\$ 315,345

VAN BUREN COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2008

	<u>County Offices</u>		
	<u>County Recorder</u>	<u>County Sheriff</u>	<u>County Conservation</u>
<u>ASSETS</u>			
Cash and pooled investments:			
County Treasurer	\$ -	\$ -	\$ -
Other County officials	4,804	12,391	11,461
Receivables:			
Accounts receivable	-	-	-
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accrued interest	-	-	-
Due from other governments	-	-	-
Prepaid expenses	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 \$ <u>4,804</u>	 \$ <u>12,391</u>	 \$ <u>11,461</u>
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ -	\$ -
Due to other governments	4,804	-	-
Salaries and benefits payable	-	-	-
Trusts payable	-	12,391	11,461
	<u>-</u>	<u>12,391</u>	<u>11,461</u>
 TOTAL LIABILITIES	 \$ <u>4,804</u>	 \$ <u>12,391</u>	 \$ <u>11,461</u>

## Schedule 3

<u>E-911</u>	<u>Emergency Management Services</u>	<u>Drainage Districts</u>	<u>County Hospital</u>	<u>Property Tax Agency</u>	<u>Townships</u>
\$ 119,713	\$ 10,122	\$ 138,842	\$ 17,721	\$ 3,060	\$ 2,684
-	-	-	-	-	-
12,150	-	-	-	-	-
-	-	-	2,629	3	240
-	-	-	662,774	725	109,695
351	-	8	-	-	-
-	3,321	-	-	-	-
-	-	-	-	-	-
<u>\$ 132,214</u>	<u>\$ 13,443</u>	<u>\$ 138,850</u>	<u>\$ 683,124</u>	<u>\$ 3,788</u>	<u>\$ 112,619</u>
\$ 4,019	\$ -	\$ -	\$ -	\$ -	\$ -
128,195	11,567	138,850	683,124	3,788	112,619
-	1,876	-	-	-	-
-	-	-	-	-	-
<u>\$ 132,214</u>	<u>\$ 13,443</u>	<u>\$ 138,850</u>	<u>\$ 683,124</u>	<u>\$ 3,788</u>	<u>\$ 112,619</u>



VAN BUREN COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2008

	<u>Corporations</u>	<u>Schools</u>	<u>Area School</u>	<u>County Assessor</u>	<u>Agriculture Extension Education</u>
<u>ASSETS</u>					
Cash and pooled investments:					
County Treasurer	\$ 10,409	\$ 95,419	\$ 4,581	\$ 43,547	\$ 1,243
Other County officials	-	-	-	-	-
Receivables:					
Accounts receivable	-	-	-	17	-
Property tax:					
Delinquent	4,897	14,648	680	266	184
Succeeding year	502,020	3,508,850	175,410	67,517	46,507
Accrued interest	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid expenses	-	-	-	2,434	-
 TOTAL ASSETS	 \$ <u>517,326</u>	 \$ <u>3,618,917</u>	 \$ <u>180,671</u>	 \$ <u>113,781</u>	 \$ <u>47,934</u>
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ 2,259	\$ -
Due to other governments	517,326	3,618,917	180,671	111,522	47,934
Salaries and benefits payable	-	-	-	-	-
Trusts payable	-	-	-	-	-
 TOTAL LIABILITIES	 \$ <u>517,326</u>	 \$ <u>3,618,917</u>	 \$ <u>180,671</u>	 \$ <u>113,781</u>	 \$ <u>47,934</u>

## Schedule 3 - (Continued)

<u>Special</u> <u>Appraisers</u>	<u>County</u> <u>Hospital</u> <u>Ambulance</u>	<u>Auto</u> <u>License</u> <u>and Use</u> <u>Tax</u>	<u>Special</u> <u>Assessments</u>	<u>Tax Sale</u> <u>Redemption</u> <u>Trust</u>	<u>Anatomical</u> <u>Gift Public</u> <u>Awareness</u> <u>and</u> <u>Transportation</u>	<u>Total</u>
\$ 15,781	\$ 150,768	\$ 117,939	\$ 2,954	\$ 11,895	\$ 6	\$ 746,684
-	-	-	-	-	-	28,656
-	-	-	-	-	-	12,167
356	224	-	-	-	-	24,127
84,632	56,435	-	-	-	-	5,214,565
-	-	-	-	-	-	359
-	-	-	-	-	-	3,321
10,148	-	-	-	-	-	12,582
<u>\$ 110,917</u>	<u>\$ 207,427</u>	<u>\$ 117,939</u>	<u>\$ 2,954</u>	<u>\$ 11,895</u>	<u>\$ 6</u>	<u>\$ 6,042,461</u>
\$ 455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,733
110,462	207,427	117,939	2,954	11,895	6	6,010,000
-	-	-	-	-	-	1,876
-	-	-	-	-	-	23,852
<u>\$ 110,917</u>	<u>\$ 207,427</u>	<u>\$ 117,939</u>	<u>\$ 2,954</u>	<u>\$ 11,895</u>	<u>\$ 6</u>	<u>\$ 6,042,461</u>

VAN BUREN COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2008

<u>ASSETS AND LIABILITIES</u>	<u>County Offices</u>			<u>E-911</u>
	<u>County Recorder</u>	<u>County Sheriff</u>	<u>County Conservation</u>	
Balances beginning of year	\$ <u>7,580</u>	\$ <u>14,336</u>	\$ <u>11,603</u>	\$ <u>183,207</u>
Additions:				
Property and other County tax	-	-	-	-
State tax credits	-	-	-	-
E911 surcharge	-	-	-	45,935
E911 payments	-	-	-	45,132
School ready children	-	-	-	-
Child care and development	-	-	-	-
Office fees and collections	47,608	8,054	87,782	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Interest income	-	-	-	6,015
Trusts	-	104,594	-	-
Miscellaneous	-	-	-	450
Total additions	<u>47,608</u>	<u>112,648</u>	<u>87,782</u>	<u>97,532</u>
Deductions:				
Agency remittances:				
To other funds	50,384	4,379	20,320	-
To other governments	-	1,655	-	148,525
Trusts paid out	-	108,559	67,604	-
Total deductions	<u>50,384</u>	<u>114,593</u>	<u>87,924</u>	<u>148,525</u>
Balances end of year	\$ <u>4,804</u>	\$ <u>12,391</u>	\$ <u>11,461</u>	\$ <u>132,214</u>

<u>Emergency Management Services</u>	<u>Drainage Districts</u>	<u>Empowerment Board</u>	<u>TANF Empowerment Board</u>	<u>County Hospital</u>	<u>Property Tax Agency</u>
\$ <u>8,861</u>	\$ <u>137,858</u>	\$ <u>361,247</u>	\$ <u>128,546</u>	\$ <u>649,765</u>	\$ <u>5,979</u>
-	-	-	-	635,086	3,502
-	-	-	-	47,613	53
15,925	-	-	-	-	-
-	-	-	-	-	-
-	-	315,516	-	-	-
-	-	-	73,831	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,620	-	-	-	-
-	5,766	7,474	1,927	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,925</u>	<u>8,386</u>	<u>322,990</u>	<u>75,758</u>	<u>682,699</u>	<u>3,555</u>
-	-	-	-	-	-
11,343	7,394	684,237	204,304	649,340	5,746
-	-	-	-	-	-
<u>11,343</u>	<u>7,394</u>	<u>684,237</u>	<u>204,304</u>	<u>649,340</u>	<u>5,746</u>
\$ <u>13,443</u>	\$ <u>138,850</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>683,124</u>	\$ <u>3,788</u>

VAN BUREN COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

YEAR ENDED JUNE 30, 2008

<u>ASSETS AND LIABILITIES</u>	<u>Townships</u>	<u>Corporations</u>	<u>Schools</u>	<u>Area School</u>	<u>County Assessor</u>
Balances beginning of year	\$ <u>106,808</u>	\$ <u>510,173</u>	\$ <u>3,494,864</u>	\$ <u>167,699</u>	\$ <u>127,371</u>
Additions:					
Property and other County tax	105,798	472,946	3,359,736	168,228	64,411
State tax credits	7,413	42,399	257,351	12,311	4,819
E911 surcharge	-	-	-	-	-
E911 payments	-	-	-	-	-
School ready children	-	-	-	-	-
Child care and development	-	-	-	-	-
Office fees and collections	-	-	-	-	1,896
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Interest income	-	-	-	-	-
Trusts	-	-	-	-	-
Miscellaneous	-	-	-	-	295
Total additions	<u>113,211</u>	<u>515,345</u>	<u>3,617,087</u>	<u>180,539</u>	<u>71,421</u>
Deductions:					
Agency remittances:					
To other funds	-	-	-	-	-
To other governments	107,400	508,192	3,493,034	167,567	85,011
Trusts paid out	-	-	-	-	-
Total deductions	<u>107,400</u>	<u>508,192</u>	<u>3,493,034</u>	<u>167,567</u>	<u>85,011</u>
Balances end of year	\$ <u>112,619</u>	\$ <u>517,326</u>	\$ <u>3,618,917</u>	\$ <u>180,671</u>	\$ <u>113,781</u>

## Schedule 4 - (Continued)

<u>Agriculture Extension Education</u>	<u>Special Appraisers</u>	<u>County Hospital Ambulance</u>	<u>Auto License and Use Tax</u>	<u>Special Assessments</u>	<u>Tax Sale Redemption Trust</u>	<u>Anatomical Gift Public Awareness and Transportation</u>	<u>Total</u>
\$ <u>45,543</u>	\$ <u>82,652</u>	\$ <u>176,005</u>	\$ <u>117,300</u>	\$ <u>2,292</u>	\$ <u>9,602</u>	\$ <u>10</u>	\$ <u>6,349,301</u>
44,562	81,118	54,079	-	-	-	-	4,989,466
3,341	6,081	4,055	-	-	-	-	385,436
-	-	-	-	-	-	-	61,860
-	-	-	-	-	-	-	45,132
-	-	-	-	-	-	-	315,516
-	-	-	-	-	-	-	73,831
-	-	-	-	-	-	-	145,340
-	-	-	1,516,435	-	-	-	1,516,435
-	-	-	-	7,862	-	-	10,482
-	-	-	-	-	-	-	21,182
-	-	-	-	-	144,222	-	248,816
-	-	-	-	-	-	66	811
<u>47,903</u>	<u>87,199</u>	<u>58,134</u>	<u>1,516,435</u>	<u>7,862</u>	<u>144,222</u>	<u>66</u>	<u>7,814,307</u>
-	-	-	1,456,881	-	-	4	1,531,968
45,512	-	26,712	58,915	7,200	-	66	6,212,153
-	<u>58,934</u>	-	-	-	<u>141,929</u>	-	<u>377,026</u>
<u>45,512</u>	<u>58,934</u>	<u>26,712</u>	<u>1,515,796</u>	<u>7,200</u>	<u>141,929</u>	<u>70</u>	<u>8,121,147</u>
\$ <u>47,934</u>	\$ <u>110,917</u>	\$ <u>207,427</u>	\$ <u>117,939</u>	\$ <u>2,954</u>	\$ <u>11,895</u>	\$ <u>6</u>	\$ <u>6,042,461</u>

## VAN BUREN COUNTY, IOWA

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION -  
ALL GOVERNMENTAL FUNDS  
FOR THE LAST SIX YEARS

	Modified Accrual Basis					
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>REVENUES:</u>						
Property and other County tax	\$ 2 184 687	\$ 2 205 571	\$ 2 006 201	\$ 2 045,314	\$ 1,913,671	\$ 1,626,591
Interest and penalty on property tax	30,425	30 508	27 086	30 226	32 361	32 485
Intergovernmental	3,458,521	3,073,145	3,064,744	2 991 029	3 001 220	3 222 742
Licenses and permits	13 783	12 091	26,255	32,170	32,994	13,616
Charges for service	257,904	210 902	210 593	215 606	222 555	180,490
Use of money and property	180,998	162,548	120 763	122 058	131 740	138 998
Miscellaneous	<u>163,281</u>	<u>143,839</u>	<u>119,565</u>	<u>109,544</u>	<u>164,268</u>	<u>170,438</u>
Total	\$ <u>6,289,599</u>	\$ <u>5,838,604</u>	\$ <u>5,575,207</u>	\$ <u>5,545,947</u>	\$ <u>5,498,809</u>	\$ <u>5,385,360</u>
<u>EXPENDITURES:</u>						
Operating:						
Public safety and legal services	\$ 944,331	\$ 931,231	\$ 874 495	\$ 853 684	\$ 777 658	\$ 776 408
Physical health and social services	414 008	426 691	382,600	348,215	367,353	337 499
Mental health	591,423	511 120	556 242	542 826	499 463	511,616
County environment and education	376 862	520,941	400,799	298 893	390 250	278 938
Roads and transportation	3 044 420	2 571 584	2 432 241	1 890,310	2,707,436	2,398,585
Governmental services to residents	291,045	263 431	359 341	283 145	243 480	238 593
Administration	544 756	543,979	480,431	490,847	541 339	485 241
Non-program	-	-	-	2,376	1,617	15,762
Capital projects	<u>401,419</u>	<u>274,217</u>	<u>371,639</u>	<u>11,095</u>	<u>664,534</u>	<u>734,544</u>
Total	\$ <u>6,608,264</u>	\$ <u>6,043,194</u>	\$ <u>5,857,788</u>	\$ <u>4,721,391</u>	\$ <u>6,193,130</u>	\$ <u>5,777,186</u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Officials of Van Buren County, Iowa:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Van Buren County, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated November 25, 2008. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Van Buren County, Iowa's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Van Buren County, Iowa's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Van Buren County, Iowa's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Van Buren County, Iowa's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Van Buren County, Iowa's financial statements that is more than inconsequential will not be prevented or detected by Van Buren County, Iowa's internal control. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Van Buren County, Iowa's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe item II-A-08 is a material weakness.



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Van Buren County, Iowa's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Van Buren County, Iowa's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the County's responses, we did not audit Van Buren County, Iowa's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Van Buren County, Iowa and other parties to whom the County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Van Buren County, Iowa during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

ANDERSON, LARKIN & CO P.C

Ottumwa, Iowa  
November 25, 2008

VAN BUREN COUNTY, IOWA

SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2008

PART I: SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS:

- (a) Unqualified opinions were issued on the financial statements.
- (b) Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, including a material weakness
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

Significant Deficiencies:

- II-A-08 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted that several County employees are involved with cash collections and computer data entry.

Recommendation – We realize that with a limited number of office employees, segregation of duties is difficult. However, the County should review its internal control procedures to obtain the maximum internal control possible under the circumstances

Response – The internal policies will be reviewed on a regular basis

Conclusion – Response accepted.

- II-B-08 Time Off – Although all full time County employees earn vacation time, there is currently no County policy that requires employees to take time off.

Recommendation – In an effort to increase the County's internal controls, we suggest that the County adopt a policy that requires employees to take time off.

Response – We will look into adopting a policy that requires employees to take time off without sacrificing service to the community

Conclusion – Response accepted.

Instances of Non-Compliance:

No matters were noted.

PART III: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

- III-A-08 Certified Budget – Disbursements during the year ended June 30, 2008 did not exceed the amounts budgeted
- III-B-08 Questionable Expenditures – No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- III-C-08 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- III-D-08 Business Transactions – No business transactions between the County and County officials or employees were noted.

VAN BUREN COUNTY, IOWA

SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2008

PART III: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING: (Continued)

- III-E-08 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be periodically reviewed to insure that the coverage is adequate for current operations
- III-F-08 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- III-G-08 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- III-H-08 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- III-I-08 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in Exhibits A or B

Disbursements during the year ended June 30, 2008 for the County Extension Office did not exceed the amount budgeted.